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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BLOCKFI INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

Judge: Michael B. Kaplan

**SECOND SUPPLEMENTAL DECLARATION OF BARAK KLEIN IN SUPPORT
OF APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION FOR
ENTRY OF ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF
MOELIS & COMPANY LLC AS INVESTMENT BANKER, CAPITAL MARKETS
ADVISOR, AND FINANCIAL ADVISOR**

I, Barak Klein, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors’ service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

1. I am a Managing Director in the Recapitalization and Restructuring Group at Moelis & Company LLC (“Moelis”), the proposed investment banker, capital markets advisor, and financial advisor to the above-captioned debtors and debtors-in-possession (the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), which has its principal office at 399 Park Avenue, 5th Floor, New York, New York 10022.

2. On or about December 22, 2022, I submitted my *Declaration of Barak Klein in Support of Application of Debtors and Debtors in Possession for Entry of Order Authorizing Employment and Retention of Moelis & Company LLC as Investment Banker, Capital Markets Advisor, and Financial Advisor Effective as of the Petition Date* (the “Original Declaration,” attached as Exhibit B to the *Application of Debtors and Debtors in Possession for Entry of an Order Authorizing the Employment and Retention of Moelis & Company LLC as Investment Banker, Capital Markets Advisor, and Financial Advisor Effective as of the Petition Date* (the “Application,” [Docket No. 139]).²

3. On or about February 15, 2023, I submitted my *First Supplemental Declaration of Barak Klein in Support of Application of Debtors and Debtors in Possession for Entry of Order Authorizing Employment and Retention of Moelis & Company as Investment Banker, Capital Markets Advisor and Financial Advisor Effective as of the Petition Date in support of the Application* (the “First Supplemental Declaration,” [Docket No. 523], and together with the Original Declaration, the “Prior Declarations”).

4. I am authorized to submit this second supplemental declaration (this “Second Supplemental Declaration”) on behalf of Moelis to supplement the disclosures set forth in the Prior Declarations.

5. After filing my Prior Declarations, the Debtors provided additional entities they had identified as potential parties in interest (the “Supplemental Potential Parties in Interest”), a list of which is attached hereto as Schedule 1 (the “Supplemental Potential Parties in Interest List”). Moelis (a) researched its internal records to determine whether Moelis has any connections with the parties listed

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Application.

on Schedule 1(a) – 1(f); and (b) issued a general inquiry to certain of its officers with respect to certain of the Potential Parties in Interest.

6. Based on the results of the above research and inquiry, I believe that Moelis remains a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code and does not hold or represent an interest adverse to the Debtors’ estate.

7. To the extent that I have been able to ascertain to date, Moelis has not been engaged within the last three years, and is not currently engaged by any of the Supplemental Potential Parties in Interest (or their known affiliates, as the case may be).

8. Further, pursuant to the Debtors’ *Motion for Entry of an Order Authorizing the Debtors to File Under Seal the Names of Certain Confidential Parties in Interest Related to the Debtors’ Professional Retention Applications* [Docket No. 127] (the “Motion to Seal”), and to avoid prejudicing the Debtors’ sale processes, the Debtors previously requested that Moelis redact the names of “Potential M&A Counterparties” in Moelis’ Prior Declarations. On March 24, 2023, the Bankruptcy Court entered an *Order (I) Approving the Sale of Certain of the Debtors’ Self-Mining Assets Free and Clear of All Claims, Liens, Rights, Interests and Encumbrances, (II) Authorizing the Debtors to Enter Into and Perform Their Obligations Under the Asset Purchase Agreement, and (III) Granting Related Relief* [Docket No. 669] authorizing the sale of certain of the Debtors’ self-mining assets to U.S. Farms & Mining Opportunity Fund LLC (“U.S. Farms”).

9. Upon finalizing the sale to U.S. Farms, and the conclusion of the sale process for the Debtors’ self-mining assets, Moelis understands that the Debtors entered into an agreement with the United States Trustee for the District of New Jersey to unredact certain Potential M&A Counterparties that relate solely to the self-mining asset sale process (the “Unredacted Potential M&A Counterparties”). Schedule 1(g) annexed hereto contains a list of these Unredacted Potential M&A Counterparties. All of these Unredacted Potential M&A Counterparties were previously included in Moelis’ connections check process described in Moelis’ Prior Declarations, and all necessary related disclosures were included in Moelis’ Prior Declarations.

10. Accordingly, I believe that Moelis remains disinterested and eligible for retention by the Debtors in these Chapter 11 Cases.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on this 26th day of June 2023.

/s/ Barak Klein

Barak Klein
Managing Director
Moelis & Company LLC

SCHEDULE 1

List of Schedules

<u>Schedule</u>	<u>Category</u>
1(a)	Ad Hoc Committee Members
1(b)	Banks
1(c)	Non-Debtor Professionals
1(d)	Notice of Appearance Parties
1(e)	Potential M&A Counterparties
1(f)	Reed Smith Ad Hoc Committee
1(g)	Unredacted Potential M&A Counterparties

SCHEDULE 1(a)

Ad Hoc Committee Members

[Confidential]

SCHEDULE 1(b)

Banks

First Citizens Bank
Peapack-Gladstone Bank
Webster Bank

SCHEDULE 1(c)

Non-Debtor Professionals

Ansell Grimm & Aaron PC

Stevens & Lee PC

Straffi, Daniel E., Jr., Esq.

Wolf, Rifkin, Shapiro, Schulman & Rabkin LLP

SCHEDULE 1(d)

Notice of Appearance Parties

Towards Equilibrium LLC
[Confidential]

SCHEDULE 1(e)

Potential M&A Counterparties

[Confidential]

SCHEDULE 1(f)

Reed Smith Ad Hoc Committee

BCF 2020 Investments LLC
BMB 2020 Investments LLC
FP Equity Investments LLC
[Confidential]

SCHEDULE 1(g)

Unredacted Potential M&A Counterparties

AP Capital	Vistra Group
Apollo Global Management Inc.	
Ares Management Corp.	
Aspen Creek Digital Corp.	
Atlas Technology Group LLC	
Backbone Mining Solutions	
Bain Capital LP	
Baupost Group LLC, The	
Binance US	
Binance.com	
Bitdeer	
BlackRock Inc.	
Blackstone Inc.	
Blue Owl Capital Inc.	
Brevan Howard	
Brigade Capital	
Castlelake	
Centerbridge	
Cerberus Capital Management	
Chicago Atlantic Group LLC	
D.E. Shaw	
Davidson Kempner	
Disrupt Ventures LLC	
Elliott Investment Management	
EQT	
Fortress Investment Group	
Global X Management Co. LLC	
GoldenTree Asset Management LP	
Hudson Bay Capital Management LP	
KKR & Co. Inc.	
KryptoVault	
Luxor Technologies Inc.	
Magnetar Capital LLC	
Marathon Digital Holdings Inc.	
MaxBoring LLC	
Merkle Standard	
Morgan Stanley	
Oak Hill Capital Management LLC	
Oaktree	
Redwood Capital Management LLC	
Silver Point Capital LP	
Sixth Street	
SkyBridge Capital	
Temasek	
Thoma Bravo LP	
Thomas H. Lee Partners LP	
US Farms & Mining Inc.	